

## **REPORT DIGEST**

### **ILLINOIS EDUCATIONAL FACILITIES AUTHORITY FINANCIAL AND COMPLIANCE AUDIT FOR THE YEAR ENDED JUNE 30, 1995**

#### **SYNOPSIS**

- The Authority did not invest locally held funds in interest bearing accounts as mandated by the Public Funds Investment Act.
- The Authority did not install a telecommunications device for the hearing impaired as required by Guidelines established by the Department of Central Management Services.

{Expenditures and Activity Measures are summarized on the reverse page.}

## **INTRODUCTION**

The Illinois Educational Facilities Authority was created to provide tax-exempt financing to acquire or construct facilities or to make education loans to private institutions of higher education, related not-for-profit academic institutions, private cultural institutions, and education loan corporations in Illinois.

## **FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

### **INVESTMENT OF LOCALLY HELD FUNDS**

The Authority did not invest locally held funds in interest bearing accounts to receive the highest possible rate of return on State funds.

Approximately \$1,500 of interest income could have been earned if the Authority's checking account had been interest bearing. Authority management believed that there would not have been a positive cost benefit if monies were deposited in an interest bearing account because of higher monthly service fees. (Finding 1, page 10)

Authority officials agreed to study whether it could improve upon the current cost free arrangement it currently has for this account.

### **TELECOMMUNICATIONS DEVICE FOR THE HEARING IMPAIRED**

The Authority did not install a telecommunications device for the hearing impaired (TDD) as required by the Guidelines issued by the Department of Central Management Services (DCMS).

The Department of Central Management Services' Telecommunication Guidelines and Procedures Manual requires the installation within each State agency of an operational TDD to provide agency information for those persons who are hearing and/or speech impaired. Also, the Americans with Disabilities Act requires that State and Local governments must ensure effective communication with individuals with disabilities. Authority management disagreed with our recommendation to install a TDD to comply with DCMS Guidelines. They stated the Authority is not necessarily required to have a TDD. They feel that DCMS has not established formal standards and without formal standards to follow the Authority has been unable to determine whether the TDD requirement applies to its unique operations. (Finding 2, page 11)

Responses to our findings and recommendations were provided by Thomas P. Conley, Executive Director.

## **AUDITOR'S OPINION**

Our auditors state that the June 30, 1995 financial statements of the Illinois Educational Facilities Authority are fairly presented.

WILLIAM G. HOLLAND, Auditor General

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WGH:ROQ

## **SUMMARY OF AUDIT FINDINGS**

Number of This AuditPrior Audit

Audit findings 22

Repeated audit findings 0 1

Prior recommendations implemented  
or not repeated 00

## **SPECIAL ASSISTANT AUDITORS**

Berg, DeMarco, Lewis, Sawatski & Co., were our special assistant auditors for this audit.

**ILLINOIS EDUCATIONAL FACILITIES AUTHORITY**  
**FINANCIAL AND COMPLIANCE AUDIT**  
**For The Year Ended June 30, 1995**

<b>REVENUE AND EXPENSES STATISTICS</b>	<b>FY 1995</b>	<b>FY 1994</b>	<b>FY 1993</b>
● <b>Total Revenue (Including Revenue Bonds)</b>	\$67,470,620	\$66,627,362	\$67,005,111
<u>OPERATIONS TOTAL</u>	\$ 445,620	\$ 437,948	\$ 250,021
Application Fees % of Total Revenue	\$ 61,000 13.7%	\$ 63,975 14.6%	\$ 75,250 30%
Annual Service Fees % of Total Revenue	\$ 355,800 79.8%	\$ 360,949 82.4%	\$ 162,547 65%
Other Income % of Total Revenue	\$ 28,820 6.5%	\$ 13,024 3%	\$ 12,224 5%
● <b>Total Expenses (Including Revenue Bonds)</b>	\$67,385,999	\$66,564,346	\$67,134,742
<u>OPERATIONS TOTAL</u>	\$ 360,999	\$ 374,932	\$ 379,652
Administrative and Legal % of Operations Expenditures	\$ 158,315 43.8%	\$ 161,382 43%	\$ 166,010 43.7%
Accounting and Technical % of Operations Expenditures	\$ 171,210 47.5%	\$ 173,539 46.2%	\$ 175,739 46.4%
All Other Operations Items % of Operations Expenditures	\$ 31,474 8.7%	\$ 40,011 10.6%	\$ 37,903 9.9%

<b>SELECTED ACTIVITY MEASURES</b>	<b>FY 1995</b>	<b>FY 1994</b>	<b>FY 1993</b>
● Total Number of Bond Issues	67	62	74
● Total Number of New Bond Issues	6	8	8
● Total Bond Issue Value (in millions)	\$1,337	\$1,320	\$1,356

<b>AGENCY DIRECTOR(S)</b>
During Audit Period: Thomas P. Conley Currently: Thomas P. Conley